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Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 123: Improving the financial situation of the United Nations (*continued*)

Agenda item 118: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Agenda item 136: Financing of the United Nations Mission in Bosnia and Herzegovina (*continued*)

Agenda item 137: Financing of the United Nations Peacekeeping Force in Cyprus (*continued*)

Agenda item 138: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo (*continued*)

Agenda item 141: Financing of the United Nations Mission in Ethiopia and Eritrea (*continued*)

Agenda item 142: Financing of the United Nations Observer Mission in Georgia (*continued*)

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04-33579 (E)

Agenda item 143: Financing of the activities arising from Security Council resolution 687 (1991) (*continued*)

(a) United Nations Iraq-Kuwait Observation Mission (*continued*)

Agenda item 144: Financing of the United Nations Interim Administration Mission in Kosovo (*continued*)

Agenda item 145: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(a) United Nations Disengagement Observer Force (*continued*)

(b) United Nations Interim Force in Lebanon (*continued*)

Agenda item 146: Financing of the United Nations Mission in Sierra Leone (*continued*)

Agenda item 147: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*)

The meeting was called to order at 10.05 a.m.

Agenda item 123: Improving the financial situation of the United Nations (*continued*)

Statement by the Under-Secretary-General for Management

1. **Ms. Bertini** (Under-Secretary-General for Management) said that the Organization required a strong financial base in order to carry out the many important tasks entrusted to it by Member States. Improving the financial situation of the United Nations therefore remained a high priority for the Secretary-General.

2. She would focus in her presentation on three main indicators: cash on hand; level of assessments and amounts paid; and debt owed to Member States. While 2003 had been a good year overall, some serious concerns remained. Cash balances at year-end had fallen slightly from $1,397 million in 2002 to $1,352 million at 31 December 2003. The results in respect of the second indicator were modestly encouraging: total unpaid assessments had been reduced by $81 million to $1,603 million, which was the lowest level since 1993. However, the amount owed remained substantial. The third indicator also showed a significant improvement. Total debt owed to Member States at 31 December 2003 had been $439 million, a reduction of $264 million compared with 2002.

3. Concerning cash balances, payments received and credits applied had exceeded assessments issued every year for the previous eight years, except in 2000. Thus, in 2003, payments had totalled $4 billion compared with assessments of $3.9 billion. The regular budget and related reserve accounts had finished the year with a net balance of $23 million owing to lower than anticipated receipts and disbursements. While that amount was lower than in 2002, no cross-borrowing had been required. A net balance of $16 million had been available for the capital master plan and would be carried over to the current financial period. The net balances of the peacekeeping accounts had totalled $1,386 million at year-end, which was $23 million more than in 2002 and $188 million more than had been forecast in October 2003. That outcome reflected higher than anticipated receipts and final disbursements that were 5 per cent lower than the projected level. Some missions, however, had experienced cash shortages and there had been limited scope for cross-borrowing. The cash position of the two International Criminal Tribunals had continued to deteriorate. Having ended 2002 with a small net deficit, they had had a shortfall of $73 million at the end of 2003.

4. With regard to the second indicator, level of assessments and amounts paid, she said that aggregate assessments had increased from $3.6 billion in 2002 to $3.9 billion in 2003. A small decrease of $24 million for peacekeeping had been more than offset by increases of $260 million for the regular budget, $26 million for the capital master plan and $18 million for the Tribunals.

5. She was pleased to announce that 131 Member States had paid their regular budget assessments in full by the end of 2003, breaking the negative trend evident since 2000, when the number had peaked at 141. Nevertheless, unpaid contributions had actually increased, totalling $442 million at year-end. The United States owed 61 per cent of the outstanding amount, Brazil 12 per cent, Argentina 9 per cent and Japan 4 per cent. Some 56 other Member States together owed 14 per cent of the total. Unpaid peacekeeping assessments at the end of 2003 had stood at $1,066 million, $269 million less than in 2002. The United States owed 45 per cent of that amount, while 8 of the 14 other major contributors together owed 25 per cent. As for the Tribunals, unpaid contributions had more than doubled, reaching $88 million at the end of 2003. Japan owed 46 per cent of the outstanding amount, the United States 14 per cent, the Russian Federation 12 per cent, Brazil 11 per cent and Argentina 5 per cent; 106 other Member States together owed the remaining 12 per cent.

6. In summary, while the overall position of peacekeeping accounts had improved, the position of the regular budget had slipped somewhat and the already precarious financial situation of the Tribunals had worsened considerably. She noted with satisfaction, however, that 27 Member States — Australia, Azerbaijan, Canada, Denmark, Fiji, Finland, Germany, Ghana, Honduras, Jordan, Kuwait, Latvia, the Libyan Arab Jamahiriya, Monaco, Mongolia, New Zealand, Norway, Portugal, Romania, Sierra Leone, Singapore, Slovakia, South Africa, Sweden, Switzerland, Trinidad and Tobago and the United Kingdom — had paid all their assessments in full by the end of 2003.

7. She was also pleased to inform the Committee that total debt owed to Member States for troop and equipment costs had fallen from $703 million at the beginning of the year to $439 million at 31 December 2003. New obligations for contingent-owned equipment had been significantly lower than expected owing to the delayed deployment of the Task Force and troops of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and the drawdown of the United Nations Mission in Sierra Leone (UNAMSIL), which had been faster than originally planned. In addition, higher than expected payments had been made for troop costs. In fact, the Organization had been able pay for troop costs in most missions up to the end of October 2003, rather than September as projected. The Secretary-General remained committed to reducing as far as possible the amount of debt owed to Member States, taking into account the requirements of missions. However, his ability to do so would depend on the extent to which Member States met their financial obligations to the Organization.

8. Turning to the prospects for 2004, she noted that, as at 30 April 2004, 18 States — Australia, Austria, Azerbaijan, Canada, Croatia, Denmark, Finland, France, Ireland, Kazakhstan, Latvia, Monaco, New Zealand, Singapore, Slovakia, South Africa, Sweden and Switzerland — had paid all assessed contributions that were due and payable.

9. The regular budget assessment for 2004 had increased by more than $73 million. By 30 April 2004, contributions of $661 million had been received, an increase of $26 million compared with the same period in 2003. By the same date, 77 Member States had paid their regular budget assessments in full, whereas 81 had done so in the first four months of 2003. Regarding cash flow, she noted with regret that current projections indicated the need for some cross-borrowing later in the year. The regular budget and related reserve accounts were expected to end the year with a cash deficit of $7 million. She therefore urged Member States to pay their arrears and their regular budget assessments for 2004.

10. Peacekeeping cash would total about $931 million at year-end. That figure took into account the planned return to Member States by 30 June 2004 of $84 million from cash balances in closed mission accounts. In addition, the General Assembly would shortly be requested to take a decision on the return of a further $94 million. Currently, total liabilities of closed missions were projected to exceed total cash in those missions. That would create serious problems, since cash from closed missions was the only source that could be used for cross-borrowing if the regular budget or the Tribunals ran out of cash.

11. The financial prospects for the Tribunals were bleak. Assessments in 2004 totalled $273 million, while payments received to date amounted to $180 million. The Tribunal accounts had been forced to borrow in January and February and might well have to do so again in July. According to current projections, the Tribunals would end the year with a cash deficit of $100 million. That prospect was unacceptable. The Administration had therefore frozen recruitment and scaled down operations. However, unless Member States made significant new payments in the very near future, further measures would be required. The magnitude of the financial crisis facing the Tribunals could not be overstated.

12. New obligations for troop and equipment costs would total about $949 million in 2004, compared with $607 million in 2003, owing to the phasing in of the United Nations Mission in Liberia (UNMIL) and the United Nations Operation in Côte d'Ivoire (UNOCI) and full deployment of MONUC, which would more than offset the downsizing of the United Nations Mission of Support in East Timor (UNMISET) and UNAMSIL. Payments to Member States for troop costs were forecast to increase from $454 million in 2003 to $567 million. However, payments for contingent-owned equipment were expected to fall from $417 million to $247 million. That projection reflected the delay between deployment of troops and equipment, signature of memorandums of understanding and certification of claims relating to new missions. The anticipated increase in the amounts owed for troops and equipment should be seen in the context of the upsurge in peacekeeping activities. If the Organization was to avoid rising levels of debt to troop contributors, it was essential for all Member States to pay their peacekeeping assessments in full and on time.

13. Although the overall financial situation of the United Nations had not changed dramatically, there were some causes for concern. Thus, while peacekeeping cash was expected to remain at a comfortable level, cash shortages persisted in the United Nations Interim Administration Mission in Kosovo (UNMIK) and the United Nations Mission for

the Referendum in Western Sahara (MINURSO) and debt to Member States was projected to increase. In the event that new missions were established, past experience suggested that assessments would not be received for up to 120 days. However, the Peacekeeping Reserve Fund, as a source of liquidity, was likely to be fully used. As for the Tribunals, their continuing operation was endangered by the substantial projected cash deficit.

14. The solution to those problems lay in the hands of Member States. Quite simply, they must meet their obligations to the United Nations in full and on time.

Agenda item 118: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/58/5, Vol. II, A/58/737 and A/58/759)

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/57/765, A/58/7, A/58/702, A/58/703 and Add.1, A/58/705, A/58/706, A/58/707, A/58/715, A/58/724, A/58/732, A/58/759 and Add.9 and A/58/760)

15. **Mr. Wins** (Uruguay), combining his delegation's comments on agenda items 118 and 134, expressed satisfaction at the 23 per cent reduction in pending payments for ongoing peacekeeping operations, which had reduced the delays in the reimbursement of troop-contributing countries. The reduced amounts of cash on hand for closed missions, however, gave cause for concern.

16. The ageing of unpaid assessments, with its varying uncertainty of recoverability, impacted on the Organization's ability to meet its financial obligations, especially since the United Nations did not make a provision for the possible non-collection of amounts owing from Member States. In the case of Uruguay, reimbursement for the troop contingent it had sent to Cambodia was still outstanding after 10 years. In its most recent report (A/57/767), the Special Committee on Peacekeeping Operations urged the Fifth Committee to find practical solutions to that long-standing matter. His delegation regretted that the report on the feasibility of consolidating the accounts of the various peacekeeping operations, which the General Assembly, had requested to be submitted at its fifty-eighth session had not yet been issued. It agreed with the observation of the Board of Auditors that the financial statements for peacekeeping operations reflected too many long-outstanding and unresolved issues and wondered how the Secretariat viewed the alternatives available to the General Assembly for resolving the problem, particularly whether surplus interest generated by the Peacekeeping Reserve Fund could be used to begin eliminating the debts owed to Member States for closed missions. The Secretariat should play a more dynamic role in finding a solution.

17. His delegation also had concerns about the lack of developing country participation in the procurement system. Steps should be taken to ensure that all staff associated with the procurement process were aware of the procurement guidelines.

18. As a troop-contributing country, Uruguay was concerned about contracts for supplying rations and about the conditions in which food arrived, considerations which were important for maintaining the morale of troops. It shared the doubts expressed by the Advisory Committee that a contractor with limited air resources would be better able to deliver rations to MONUC than the Mission itself with its large and underutilized air fleet. The eating habits of troops should also be taken into account when concluding contracts with food suppliers.

19. **Mr. Wittmann** (United States of America) said that the report of the Board of Auditors had provided Member States with a comprehensive overview of the financial condition and operation of peacekeeping missions, which had grown considerably in size, complexity and cost in recent years. The work of the auditors on the ground helped to build a culture of accountability in the United Nations, which was responsible for ensuring compliance with regulations and for ensuring that the funds provided by Member States were not wasted. The accountants and auditors also provided valuable information and advice for programme managers to use in refining and improving their operations. The role of the Board of Auditors as the external oversight body for the United Nations was an essential part of the ongoing efforts to maintain and improve financial management and accountability at all levels of the Organization.

20. His delegation had been pleased to learn from the auditors that the many improvements in the management of peacekeeping operations had been based largely on the implementation of previous audit recommendations. However, it had been frustrated and

disappointed to read of continuing instances of mismanagement, lengthy procurement delays and lack of compliance with regulations and procedures. Although his delegation understood that peacekeeping operations functioned under highly dynamic and often difficult circumstances, that did not excuse lapses in management and internal controls. Instead, managers and their staff should use the difficult conditions to pursue good management practices forcefully.

21. His delegation would like clarification on a number of issues. First, it would welcome information on the additional steps being taken to expedite property write-offs. Although the process had become more rapid, most of the items written off by 30 June 2003 had been pending for nearly a year. It would also be interesting to learn of the steps that were proposed to settle long-outstanding accounts payable to Member States and of the Secretariat's efforts to resolve the issues of the voluntary contributions receivable for the United Nations Peacekeeping Force in Cyprus (UNFICYP) that had remained unpaid as at 30 June 2003 and of the unrecorded cumulative obligations in the accounts of UNFICYP.

22. His delegation also wished to know what steps were being taken to ensure that the Procurement Division was capable of supporting the strategic deployment stocks. It was concerned at the finding of significant lapses in the replenishment of the strategic deployment stocks and at the fact that no written agreements had been drawn up to hold the missions liable for the timely repayment of agreed costs and would therefore welcome information on the progress that had been made in rectifying the situation. Lastly, his delegation was disturbed that the problems of procurement delays still permeated the Organization and called on management to take the necessary steps to hold programme managers responsible for implementing audit recommendations. The Secretariat should take all the action needed to address the problems described in the Board's report so that peacekeeping operations could become even more effective and efficient.

23. **Ms. Lock** (South Africa), speaking on behalf of the African Group, said that the Group attached great importance to the oversight functions of the United Nations and fully supported the work of the Board of Auditors. The Group had been pleased to note the Administration's increasing compliance with the recommendations of the Board and shared the view of the Advisory Committee that the Board should monitor not only the rate but also the quality of implementation of recommendations. For the period ending on 30 June 2003, the Group noted the recurrence of a number of findings which the Board had made in previous audits and urged the Secretariat to establish responsibility and time frames for implementation.

24. Despite the relatively stable financial situation of peacekeeping operations and the improvement in the settlement of debts owed to the Member States, the Group remained concerned at the impact of ageing unpaid assessments, with its varying uncertainty of recoverability, on the Organization's ability to meet its financial obligations. The shortfall of cash in several active and closed missions affected the Organization's ability to settle outstanding liabilities and reimburse troop-contributing countries, many of which were in Africa, as well as the functioning of some active missions. All Member States should therefore pay their assessed contributions in full, on time and without conditions.

25. The Group was encouraged by the Administration's progress in closing inactive trust funds, clearing outstanding contingent liabilities for services provided to closed missions in Angola and limiting the reconciling entries of non-expendable equipment. The Secretariat should also prevent unnecessary delays in the write-off and disposal of equipment, undertake disposal of obsolete equipment in the financial interest of the Organization, avoid inconsistencies in identifying and recording obsolete equipment and review asset-management policies to avoid the accumulation of ageing equipment at peacekeeping missions.

26. The Group recognized that the strategic deployment stocks were at an early stage of implementation and that valuable lessons would be drawn from the deployment of stocks to the missions in Côte d'Ivoire and Liberia. The Secretariat should take the action identified by the Board to ensure the timely funding and replenishing of stocks, proper recording of transactions and shipments and rotation of stocks before they reached critical levels, especially in the light of deployment of newly established missions.

27. The Group was encouraged that the Secretariat and the World Food Programme (WFP) had jointly developed and disseminated new aviation standards for peacekeeping and humanitarian air transport and

looked forward to receiving the proposed assessment on compliance with the new standards and on their contribution to improving the management of air assets and air safety. Some peacekeeping missions, however, were not always completing liability waiver forms or conducting aviation surveys, thereby placing the Organization at risk. While the Group recognized that the Administration had taken steps to address the findings of the Board that peacekeeping missions repeatedly failed to submit performance evaluation reports to Headquarters, thus hampering the evaluation of vendors' performance or of air operators' compliance with contracts, further measures were needed to ensure that contractors met the technical requirements for the safety and cost-effectiveness of air operations.

28. The Administration should expedite the implementation of a code of ethics to govern procurement and contract management. The Group supported the recommendations for action to reduce lead times in the procurement cycle, ensure timely submission and effective use of procurement plans by peacekeeping missions, pre-qualify vendors before placing them on the roster, evaluate the most recent financial information of prospective vendors and prevent the renewal or extension of contracts in the absence of vendor evaluations. Increased delegation of authority to missions should expedite the procurement process and empower procurement officers to increase procurement from local and regional economies that were burdened by conflict.

29. The Group welcomed the increased coordination and collaboration between oversight bodies in the planning of audit activities with a view to promoting optimal use of audit resources, complementarity of efforts and wider coverage of audit areas. It recalled the Assembly's request to the Secretary-General and the executive heads of funds and programmes to examine governance structures, principles and accountability throughout the United Nations system and reiterated its request to the Secretariat for an update on the status of the review.

30. **Mr. Farid** (Saudi Arabia) welcomed the Advisory Committee's recommendation to increase coordination between oversight bodies and the increase in the number of measurable indicators in the budget proposals for 2004, but remained concerned at the inability of the existing financial system to attribute, monitor and record automatically operational resources and costs within the results-based budgeting framework for each mission. Action must be taken to remedy that situation and to develop financial systems linked to a comprehensive programme information system in order to ensure that requests for resources could be directly attributed to outputs and accomplishments and to facilitate performance measurement and reporting. He was also concerned that indicators of achievement and outputs for a number of missions had not been precisely stated and that the Office of Internal Oversight Services (OIOS) had found the average lead time for recruitment to be significantly higher than the goal of 120 days.

31. With regard to the conversion of posts from the 200 series to the 100 series of the Staff Rules, his delegation would welcome clarification of its full financial implications, the impact on current recruitment policy of not opening up the jobs in question to competition, the possible changes in the application of the 300 series of the Staff Rules, the Secretariat's mandate for transferring posts from the 300 series to the 100 series of the Staff Rules, and the impact of that measure on the geographical distribution of staff.

32. It concurred with the Advisory Committee that the use of executive jets by missions must be kept under review and that conflicts of interest in the procurement process must be prevented by maintaining a separation of duties of all staff involved in procurement. It was concerned that staff involved in procurement for UNAMSIL, UNMISET, the United Nations Disengagement Observer Force (UNDOF) and MONUC had been unaware of the procurement guidelines and wished to know what corrective measures would be taken.

33. His delegation would welcome clarification of the practice of certain missions that registered prospective vendors in their computer rosters without pre-qualifying them as they were required to do under section 5.04 of the Procurement Manual. It agreed with the Board's recommendation that the Administration should record all shipments from strategic deployment stocks in the Integrated Management Information System (IMIS) simultaneously with their transfer, but would welcome further clarification of that recommendation and of the different methods of replenishing stocks, which resulted in undue waiting periods.

34. **Mr. Halbwachs** (Controller) said that the Secretariat valued the observations of the Board of Auditors and many improvements could be attributed directly to the Board's past recommendations. The Secretariat would provide answers to the questions from the Member States during informal consultations, but he wished to address some specific issues right away.

35. With regard to accounts payable, unpaid debts to Member States were a long-standing problem to which the only solution was prompt and full payment of contributions. One aspect of the problem was that some missions had no financial resources because no contributions had been assessed and the Organization could not deny troop-contributing countries payment in order to make payment to other countries. The second aspect was that the Organization was in a position to credit payments to some Member States, but was awaiting instructions from those States, which could specify, for example, that the credit should be offset against a particular mission contribution or provided as a reimbursement.

36. With regard to accounts receivable, in the particular case of UNFICYP, the Secretariat had written to Member States asking whether they proposed to pay voluntary contributions or to have their contributions offset against amounts due by June 2003 and, on the basis of their replies, would propose a write-off against the $6.4 million of contributions receivable. The Secretariat had also written to several Member States to request a write-off of their claims payable for earlier participation in the mission, but they had declined. The Secretariat would continue its efforts to deal with the contributions receivable and with unrecorded liabilities, but had few options for a solution in the long term.

37. To address the delays in writing off property, all field missions had a new electronic inventory system, Galileo. Quarterly inventory reports had also been introduced to speed up the process and the next report of the Board of Auditors would confirm whether or not there had been an improvement.

38. **Mr. Park** Yoon-June (Republic of Korea) said that the report of the Board of Auditors on United Nations peacekeeping missions provided a useful means of monitoring and evaluating one of the most important functions of the Organization and its recommendations should be implemented in full.

39. While noting the relative stability of the financial position of peacekeeping operations, his delegation was concerned that some assessed contributions from Member States had remained outstanding for some time, thereby affecting the Organization's ability to meet its financial obligations and maintain its credibility. The fact that many of the outstanding contributions were for closed missions increased the uncertainty that they would be recovered and complicated the financing of current missions. In that connection, his delegation looked forward to the comprehensive report of the Secretary-General on the feasibility of consolidating the accounts of the various peacekeeping operations.

40. On the important issue of the safety and cost-effective management of air operations in peacekeeping missions, his delegation looked forward to the report of OIOS on air safety and took note of the Board's finding of an unexpended balance in the air operations budget, which should more closely reflect actual operations.

41. His delegation was concerned at the protracted nature of the process of property write-off and disposal. The Secretariat should re-examine its asset-management policy, emphasizing the timely replacement of assets in order to avoid the accumulation of ageing equipment and to address delays in the write-off and disposal process.

42. The absence of written agreements for transfers from the strategic deployment stocks to non-peacekeeping missions and agencies jeopardized the stable management of those stocks. The Secretariat should therefore take action against the factors that hampered the acquisition and replenishment of stocks and adopt a replenishment method that was consistent with the policies of peacekeeping missions and other United Nations entities.

43. His delegation was dismayed at the eight cases of fraud and presumed fraud that had been reported to the Board of Auditors and hoped that all the allegations would be cleared up in a timely and effective manner.

44. **Mr. Ozawa** (Japan) said that the reforms of the Organization were beginning to bear fruit, as evidenced by the revival of peacekeeping operations. Ironically, however, the continued establishment and deployment of peacekeeping operations was starting to cast a shadow over that revival. It was becoming increasingly difficult for Member States to shoulder the financial

burden of peacekeeping and that situation would only worsen with the proposed increase in the budget for the period 2004/05. Member States should therefore consider whether peacekeeping operations should continue to engage in development and human rights activities, which other international organizations were better equipped to undertake. More serious thought should be given to whether the current practice was truly beneficial for the international community as a whole.

45. In order to improve the situation, four issues should be addressed. First, when deciding to establish a peacekeeping mission, the Security Council must also formulate an exit strategy setting out concrete benchmarks for the measurement of progress made in the execution of mandates. Progress should be reviewed periodically and operations downsized in proportion to the progress made. Lastly, missions must be liquidated promptly upon completion of their mandates.

46. Secondly, in view of the expected establishment of large-scale missions in Burundi and Sudan, the lessons learned from the rapid deployment of operations in Liberia, Côte d'Ivoire and Haiti should be compiled, thoroughly analysed and reflected in future policies. Hasty revision of the new financing measures, such as the strategic deployment stocks, the Peacekeeping Reserve Fund and the granting of pre-mandate commitment authority to the Secretary-General, in order to accommodate short-term needs, would give rise to negative system effects. OIOS, the Board of Auditors and the Peacekeeping Best Practices Unit had significant roles to play in that regard.

47. Thirdly, the reform of the Secretariat, which played an essential role in the establishment and deployment of peacekeeping missions, should be vigorously pursued. To that end, the report of OIOS on the evaluation of the impact of the recent restructuring of the Department of Peacekeeping Operations (A/58/746) was extremely useful, particularly its observation that the linkage between the budgetary benchmarks and the Security Council reporting process should be strengthened. His delegation was concerned that the staff composition of the Department of Peacekeeping Operations did not reflect equitable geographical distribution, and it intended to pursue that issue at the fifty-ninth session of the General Assembly in the context of the discussions on human resources management.

48. Lastly, in order to avoid a situation in which rapidly-growing peacekeeping budgets became unaffordable for Member States, serious consideration should be given to rationalizing the reimbursement of peacekeeping expenses. As a troop-contributing country, Japan was ready to discuss that issue. Furthermore, the activities subject to reimbursement should be strictly verified.

49. **Ms. Lock** (South Africa), speaking on behalf of the African Group, said that, in view of the importance of peacekeeping operations as a mechanism for the maintenance of international peace and security, the General Assembly should ensure that adequate resources were authorized for missions established by the Security Council and the Secretariat that approved resources were managed with maximum efficiency and economy.

50. The Group took note of the information provided in the report of the Secretary-General on the overview of the financing of the United Nations peacekeeping operations (A/58/705) on a number of cross-cutting issues, including procurement and inventory management. It was disappointed, however, that specific reports on cross-cutting questions would not be submitted to the Committee. The Group would consider the resource requirements for individual missions, the support account and the United Nations Logistics Base (UNLB) in light of the justifications set out in the respective submissions. She welcomed the revised format of the peacekeeping budgets following the adoption of results-based budgeting, but expressed concern over the inability of IMIS to adapt to the requirements of results-based budgeting. In that regard, the observations and recommendations of the Advisory Committee should be given careful consideration.

51. The Secretariat's performance in the area of recruitment continued to be disappointing. Despite its assurances that the Galaxy system would reduce recruitment and deployment time, the average time taken to recruit and place successful candidates in peacekeeping missions was still significantly higher than the target of 120 days. The African Group would be grateful for updated information on the situation and reiterated its support for the recruitment of suitably qualified candidates from the regions in which missions were located. It was also awaiting the speedy application of widespread delegation of authority for recruitment.

52. The recruitment of civilian personnel at grades lower than those authorized called into question the transparency and credibility of the recruitment process and further explanations were needed from the Secretariat.

53. The African Group took note of the observations and recommendations of the Advisory Committee on the wholesale conversion of peacekeeping mission staff from the 300 series to the 100 series of the Staff Rules, in particular the view that such an action implied a policy change, which should be reported to the General Assembly.

54. The Group took note of the attempts to improve the budgets for air operations, including the introduction of a new cost structure for aircraft contracts. On the subject of procurement, the failure to promulgate a code of ethics for the procurement process was a matter of concern, since the risk of possible conflicts of interest was real. The Group looked forward to the arrangements being developed by the Department of Peacekeeping Operations and the Department of Management to enhance field procurement mechanisms. It took due note of the observations and recommendations of the Advisory Committee and the Board of Auditors on the subject of asset management and hoped that the Secretariat would be able to elaborate further on practices in that area, in particular the rationale for transferring vehicles with high mileage from the United Nations Mission in Bosnia and Herzegovina (UNMIBH) to missions in Africa.

55. Member States had a shared responsibility to ensure that the United Nations had adequate human, material and financial resources to establish peacekeeping operations within the agreed frameworks for rapid deployment. For its part, the Secretariat should explore the creation of regional management structures in order to realize the full potential of a regional support system.

56. The African Group, lastly, supported the efforts that were under way to improve internal control mechanisms for peacekeeping resources, provide training for staff, and expedite the processing of claims for reimbursement of troop costs and contingent-owned equipment.

57. **Mr. Mazumdar** (India) welcomed the improvements in the content, structure and presentation of the reports of ACABQ. The integration of the reports under agenda items 118 and 134 was useful in that it linked work done by the Board of Auditors with the relevant observations and recommendations of ACABQ. With regard to the reports submitted by the Secretariat, he welcomed the improvements in results-based budgeting and the increased levels of compliance with the recommendations of the Board of Auditors. However, he was disappointed at the Secretariat's failure to comply with the Assembly's request for a number of reports on cross-cutting peacekeeping-related issues.

58. Although the total proposed budget for peacekeeping for 2004/05 had decreased marginally from the previous year, a number of new missions were likely to be established or expanded in 2004. The proposed requirements for the support account for 2004/05 took account of the need to ensure capacity to absorb those missions and to provide for a rapid deployment capability.

59. Turning to human resources issues, he called on the Secretariat to provide adequate justification for posts that had remained unfilled as of 1 May 2004, including information on how the functions of those posts had been discharged while they were vacant, so that the Committee could take a decision on whether or not they should be continued. He was concerned at the continuing high vacancy rates in several missions, particularly in Africa. Timely recruitment was essential, and unless drastic improvements were made, upcoming operations might be jeopardized. The Department of Peacekeeping Operations must strive to adhere to the target of 120 days set by the Office of Human Resources Management for the recruitment and deployment of Professional staff. Moreover, the appointment of staff in many missions at grades lower than those authorized raised the issues of whether the Committee was approving posts at the appropriate level and whether the functions concerned could be carried out at a lower level.

60. The proposed conversion of professional and national staff from the 300 series to the 100 series of the Staff Rules was also a matter of concern. Such policy decisions should not be taken without specific authorization from the General Assembly and the conversion of those staff completing four years of service in 2004 should therefore be suspended until the General Assembly had had the opportunity to consider all its implications.

61. While the efforts of the Department of Peacekeeping Operations to promote information-sharing on best practices and lessons learned were commendable, United Nations policies and procedures must be followed uniformly in all missions. The fact that, in a number of missions, staff associated with the procurement process had been unaware of guidelines in that area was therefore a matter of serious concern. His delegation was also disappointed that the comprehensive report on procurement and contract management had not been submitted in time for the current part of the resumed session.

62. The request of ACABQ that the Secretariat should look into the feasibility of extending the time between rotation of contingents beyond six months should be discussed in the Special Committee on Peacekeeping Operations before any recommendation was made. He concurred with ACABQ that financial considerations should not be the predominant factor in decisions relating to troops' living quarters or rations.

63. The acquisition and replenishment of the strategic deployment stocks had taken on added importance in view of the proposed new missions. He shared the concerns expressed by ACABQ regarding the transfer of unwanted vehicles from a number of missions to UNLB and the transfer of vehicles with high mileage from Europe to Africa. He also endorsed the recommendation made by the Board of Auditors and ACABQ that the Department of Peacekeeping Operations should ensure that all missions implement an assets replacement programme in a cost-effective manner and in strict compliance with the guidelines on life expectancy of assets.

64. While the Secretariat had made good progress in reducing the outstanding liabilities for troops and contingent-owned equipment, the non-payment of assessed contributions for current missions had resulted in non-payment for contingents currently on the ground. The Administration should therefore continue to search for avenues to settle amounts owed to Member States that had remained unpaid for long periods of time. His delegation regretted the Secretariat's failure to prepare the report on the consolidation of accounts which the General Assembly had requested at its fifty-seventh session.

65. His delegation also wished to record its disappointment at the failure of the Working Group on Reimbursement of Contingent-owned Equipment to reach consensus on a number of important issues, including rates of reimbursement and the methodology for revising those rates in respect of troop costs. Those issues should be discussed by the Committee at the earliest possible opportunity.

66. **Ms. Wang** Xinxia (China) said that United Nations peacekeeping operations had played an important role in containing conflicts, stabilizing post-conflict situations and averting humanitarian crises during the previous year. The effectiveness of the operations in the Democratic Republic of the Congo, Sierra Leone and Timor-Leste had been particularly noteworthy. However, the increasing demand for new missions was placing an unprecedented financial burden on Member States and ways must therefore be found to balance the increasing demand with the Organization's limited capacity and to ensure the sustainability of United Nations peacekeeping operations. Member States must honour their financial commitments and provide peacekeeping operations with the necessary financial and human resources. In addition, strengthening the peacekeeping capacity of regional and subregional organizations was an effective way of complementing the inadequacies of the United Nations. Since most current United Nations peacekeeping missions were located in Africa, the Organization's top priority should be to enhance regional capacity on that continent. In addition, in order to ensure that limited resources could be used where they were most needed, peacekeeping operations in areas where the situation had been stabilized should be downsized and liquidated in a timely manner.

67. **Mr. Abbas** (Pakistan) said that, as the largest contributor of troops to United Nations peacekeeping operations, Pakistan was committed to improving the effectiveness of those operations in all their aspects. Peacekeeping was an expensive task that required careful planning and implementation in order to achieve the desired results.

68. The Secretary-General's report on the overview of the financing of peacekeeping operations (A/58/705) provided useful information on trends in the financial and human resources management of peacekeeping operations. He welcomed the improvements made to the budgeting of those operations, in particular the new results-based approach, measurable indicators and enhanced linkages between outputs and achievements. However, those improvements would yield optimum results only when missions were able to make full and

efficient use of their approved resources and achieve their financial and management objectives in a timely manner. He hoped that the development of the Galileo and Saturn management systems would be instrumental in that regard. Given the expected establishment of additional peacekeeping operations, the total proposed level of resources for 2004/05 would probably increase. The Secretariat should therefore make more efficient use of its financial and human resources in order to meet future needs without compromising the quality of field operations.

69. He was concerned at the high vacancy rates in several missions and hoped that, following the establishment of new missions, the Secretariat would make every effort to recruit suitable personnel, preferably from major troop-contributing countries, since they had the greatest experience in the area of peacekeeping. The Galaxy system should therefore be improved and the recruitment process expedited. The current reduction in the number of posts due to downsizing should not be allowed to affect the performance of field missions or the support provided to them.

70. The cost of equipping, training and sustaining peacekeeping troops in the field was rapidly increasing and the current reimbursements system had exacerbated the problems facing troop- and equipment-contributing countries. Moreover, the failure of the contingent-owned equipment working group to reach a consensus at its recent meeting and the late payment of assessed contributions by certain Member States had negative repercussions on the overall performance of peacekeeping operations.

71. The most expensive component of the operational cost of peacekeeping operations was air transportation, which accounted for 12.8 per cent of the total budget. While he welcomed the efforts being made by the Department of Peacekeeping Operations to improve the efficiency of that component, crucial factors, such as rapid deployment time lags and air safety, should not be compromised.

72. Lastly, given that effective pre-deployment and field training for key peacekeeping personnel was essential for successful operations, he was concerned at the decline in the budget allocation for training.

73. **Mr. Wittmann** (United States of America) said that he was encouraged by the continued development of the results-based budgeting format, which made it easier to understand the desired outputs and indicators of achievement, but agreed with the recommendation of ACABQ that more clearly mission-specific objectives should be used in budget documents. He wished to know whether future performance reports would indicate those objectives that had not been achieved and expressed support for the continued exclusion of repetitive or less important information from budget reports, which had become more clearly focused and transparent as a result. Delegations should ask for clarifying information only when the document in question did not contain sufficient details.

74. He echoed the praise for the quality and range of the work carried out by the Peacekeeping Best Practices Unit. As more lessons were learned and disseminated, greater efficiency should lead to savings. The Unit showed commendable foresight in identifying potential new issues, such as trafficking in persons, with which peacekeepers might be faced. He looked forward to the further development of a human trafficking framework, as outlined in the Unit's draft policy paper on the subject.

75. Given the likelihood that some missions would be downsized, efforts should be made to retain qualified staff and to reassign them to other missions in order to preserve their expertise for the benefit of the organization.

76. With regard to the planned conversion of posts from the 300 series to the 100 series of the Staff Rules, he welcomed the Secretary-General's decision to suspend the practice until the General Assembly had examined the question in greater detail. In respect of those employees who would reach the four-year limit for employment under the 300 series of the Staff Rules before the matter was resolved, his delegation was willing to consider measures to ensure that they were not put at a disadvantage pending a decision. With regard to the Advisory Committee's observation that there had been a larger than expected occurrence of lower level staff being recruited for higher level positions, the Secretariat should examine the need for the higher classifications if lower grade employees were performing the relevant duties satisfactorily.

77. On the issue of the strategic deployment stocks, he hoped that the difficulties being experienced with replenishment would be ironed out with the help of the Steering Group. His delegation would be willing to

consider further proposals for the establishment of regional logistical hubs.

78. Member States must be mindful of the fact that every dollar counted in a peacekeeping operation's budget that might grow to unprecedented proportions. Fiscal discipline must be maintained regardless of how many new missions were launched in the year ahead. The United States recognized the difficulties caused by the late or incomplete payment of assessed contributions and had taken steps to make its own payments with a minimum of delay compared to other periods.

79. **Mr. Tootoonchian** (Islamic Republic of Iran) expressed concern about the late issuance of documentation, which had limited the time available for in-depth study of reports. Given the increasing level of resources required for peacekeeping activities, it would be reasonable to allocate more time for consideration of peacekeeping budgets. It was also important, in determining appropriations, to maintain a balance between peacekeeping and other mandated activities. To that end, the financing of the various aspects of the Organization's work should be considered in a coordinated manner.

80. Peacekeeping was a crucial task. Accordingly, sound administrative and budgetary arrangements were necessary to ensure that each mission was well equipped to carry out its mandate. Member States must strengthen their oversight mechanisms and fulfil their commitments in support of peacekeeping operations in order to help the Secretariat carry out its work efficiently and effectively. The possibility of consolidating the accounts of the various peacekeeping operations required careful consideration. In that connection, he stressed that efforts to improve the management of the financial resources of peacekeeping operations would prove fruitless unless they were accompanied by similar initiatives in the area of human resources management.

81. The total requirements for United Nations peacekeeping operations for the period 2004/05 amounted to $2.7 billion. That figure did not, however, include the requirements for new operations, which could increase the peacekeeping budget level to more than $4 billion. He urged the Secretariat to provide the Committee at the current part of the resumed fifty-eighth session with updated information on the budget estimates for those missions. His delegation agreed with the Advisory Committee that the proposal for the conversion of peacekeeping mission staff from the 300 series of the Staff Rules to the 100 series should be submitted to the General Assembly. It also concurred with the Secretary-General's recommendation that the level of the Peacekeeping Reserve Fund should be maintained at $150 million. However, it believed that the balance in excess of that amount should be retained so as to ensure that the start-up requirements of the new missions could be met.

82. **Mr. Park** Yoon-june (Republic of Korea) said that, in the light of the surging costs of peacekeeping activities, it was important for each mission to have a built-in exit plan. It was also necessary to enhance the efficiency and effectiveness of peacekeeping operations through constant improvements in planning, organization and management. He hoped that the discussions in the Committee would contribute to that goal. Noting the value of collaboration among Member States, he emphasized the need for consultations between the Security Council and the major financial contributors on decisions concerning the establishment of new missions or the expansion of existing ones.

83. His delegation concurred with the Advisory Committee that the conversion of peacekeeping mission staff from the 300 series of the Staff Rules to the 100 series should be deferred pending consideration of the matter by the General Assembly. It was troubled that the Secretariat had sought to bypass the Assembly and trusted that, in future, it would be more transparent, especially where human resources management was concerned. In that connection, it wished to reiterate its strong belief in the need for equitable geographical distribution in the staff composition of the Department of Peacekeeping Operations.

84. While training costs represented a significant portion of the total operational costs of peacekeeping operations, the impact of training remained difficult to measure. His delegation therefore endorsed the recommendation of the Advisory Committee and the Board of Auditors that the staff performance appraisal system should be properly used to identify training requirements and evaluate achievements of individual staff members. It also agreed with the Advisory Committee that as more staff were trained, the requirements for training should decrease, particularly in missions that were no longer growing or were in the process of downsizing.

Agenda item 136: Financing of the United Nations Mission in Bosnia and Herzegovina (*continued*) (A/58/632, A/58/720 and A/58/759/Add.11)

Agenda item 137: Financing of the United Nations Peacekeeping Force in Cyprus (*continued*) (A/58/631, A/58/644, A/58/644/Corr.1 and A/58/759/Add.4)

Agenda item 138: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo (*continued*) (A/58/684, A/58/701 and A/58/759/Add.10)

Agenda item 141: Financing of the United Nations Mission in Ethiopia and Eritrea (*continued*) (A/58/633, A/58/658 and A/58/759/Add.8)

Agenda item 142: Financing of the United Nations Observer Mission in Georgia (*continued*) (A/58/639, A/58/640 and A/58/759/Add.1)

Agenda item 143: Financing of the activities arising from Security Council resolution 687 (1991) (*continued*)

(a) United Nations Iraq-Kuwait Observation Mission (*continued*) (A/58/630 and A/58/759/Add.12)

Agenda item 144: Financing of the United Nations Interim Administration in Kosovo (*continued*) (A/58/634, A/58/638, A/58/592 and A/58/759/Add.5)

Agenda item 145: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(a) United Nations Disengagement Observer Force (*continued*) (A/58/641, A/58/642 and A/58/759/Add.7)

(b) United Nations Interim Force in Lebanon (*continued*) (A/58/637, A/58/659 and A/58/759/Add.6)

Agenda item 146: Financing of the United Nations Mission in Sierra Leone (*continued*) (A/58/660, A/58/661 and A/58/759/Add.3)

Agenda item 147: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*) (A/58/642, A/58/642/Corr.1, A/58/657 and A/58/759/Add.2)

85. **Mr. Obame** (Gabon), speaking on behalf of the African Group on the financing of MONUC, stressed the importance the African Group attached to the role of the United Nations in maintaining peace and security on the African continent in general and in the Democratic Republic of the Congo in particular. Given the magnitude and complexity of the task assigned to MONUC, the General Assembly had a responsibility to provide it with adequate resources.

86. The Group took note of the performance report on the budget of MONUC for the period from 1 July 2002 to 30 June 2003 (A/58/684) as well as of the actual indicators of achievement contained in table 2 of the related report of the Secretary-General (A/58/705). It recognized that the Mission's performance had been affected by factors such as the delayed deployment of troops, the slower pace of disarmament, demobilization, repatriation, resettlement and reintegration (DDRRR) programmes, and the outbreak of hostilities in various parts of the country, which had resulted in the revision of the Mission's mandate in accordance with Security Council resolution 1493 (2003). Nevertheless, some of the difficulties which had resulted in underexpenditure in previous financial periods had been overcome and the Group stood ready to consider the assessment of any additional funds that might be required for the remainder of the 2003/04 financial period.

87. For the financial period from 1 July 2004 to 30 June 2005, the proposed increase of $77.3 million was due largely to full deployment of military and civilian personnel, international and national civilian staff, and aircraft. The continuing high vacancy rates for international staff was a source of concern and impaired the effectiveness of the Mission and its ability to contribute to the peace process and even the credibility of the United Nations. Every effort must be made to fill vacant posts and the Mission itself should use its increased authority for recruitment purposes to address that situation.

88. The African Group welcomed the progress made by the Mission in fulfilling its mandate. It had contributed to the achievement of a political settlement, improvement of the conditions of the

population, protection of children and other vulnerable groups, promotion of women's participation in society, increased respect for human rights and progress towards voluntary disarmament, demobilization, repatriation, resettlement and reintegration. The additional posts requested by the Secretary-General would be needed to assist in the organization of the constitutional referendum and national elections. It was imperative that the Organization support the preparations for the elections by providing the Mission with adequate human and financial resources. The African Group also took note of the indicators of achievement for the 2004/05 period.

89. The Group shared most of the views expressed by the Advisory Committee in its report (A/58/759/Add.10) and would pursue those during informal consultations. It was keenly interested in discussing efforts to improve the air operations budget to make it more reflective of actual operations. Some important issues highlighted by the Advisory Committee, such as those related to rations and the lack of training for personnel responsible for procurement deserved further consideration. The conditions of staff in the field needed to be urgently improved. The Group looked forward to receiving further information on the standard operating procedures for rapid deployment and on the lessons learned from the first cycle of the rapid deployment roster.

90. **Ms. Lalić-Smajević** (Serbia and Montenegro) said that the purpose of the international presence in Kosovo was to maintain law and order, promote human rights and ensure the safe and unimpeded return of all refugees and displaced persons. She regretted that the outbreak of orchestrated violence, intimidation and ethnic cleansing on the part of the Kosovo Albanian extremists in Kosovo and Metohija from 17 to 19 March 2004 had shown that UNMIK and the Kosovo Force (KFOR) had failed to fulfil those obligations.

91. Given that UNMIK continued to shoulder a major share of responsibilities for administration in Kosovo, the anticipated reductions in the proposed budget for the period from 1 July 2004 to 30 June 2005 should be reconsidered in the light of those recent tragic events. Any reductions should not affect the resources allocated for security and the protection of minority rights, including freedom of movement and the right of return, which should in fact be increased. Furthermore, the proposed 80 per cent increase in the number of cases of murders and serious assaults committed against minorities which would be tried by local rather than international judges and prosecutors was unacceptable, especially after the latest events.

92. The confidence of the Serbian community in the Interim Administration had been seriously undermined and the transfer of responsibilities that had a direct impact on the security and rights of minorities in a province should be in proportion to the capacity, sense of responsibility and results achieved by the local authorities.

93. Lastly, the report of the Secretary-General on the budget for UNMIK (A/58/638) contained inappropriate references which challenged the sovereignty of Serbia and Montenegro in Kosovo and Metohija. Furthermore, the omission of any reference to Serbia and Montenegro after the word "Kosovo" in paragraph 6 of the report on the OIOS investigation into the fraudulent diversion of funds by a senior staff member of UNMIK (A/58/592) might be construed as prejudging the future status of that region of her country. Her delegation felt compelled to request the issuance of corrigenda to those documents and to request the Secretariat to ensure that such erroneous references did not recur.

94. **Ms. Udo** (Nigeria), speaking on behalf of the African Group, expressed appreciation for the work done by the staff of UNAMSIL, which was in the process of winding down and thus in the crucial phase of safeguarding its accomplishments. The Organization must therefore exercise great care in implementing its exit strategy so that the human and financial resources that had been expended on the Mission would not go to waste. She wondered how the reduction in the military strength of the Mission, especially the formed units, would affect the essential services performed by the Mission, including the maintenance of security in the entire country. She recalled that the Secretary-General had highlighted the need for a comprehensive assessment of the benchmarks and the progress made in consolidating peace and stability in Sierra Leone with a view to determining whether future adjustments to the withdrawal plan would be required. For its part, the African Group had expressed concern at the accelerated pace of the drawdown and had requested that careful consideration be given to the implications of both slower and faster drawdown.

95. As UNAMSIL entered its final phase, concerns persisted regarding the security challenges that Sierra Leone and the subregion would face following the closure of the Mission in December 2004, the slow pace of reconstruction, the continuing poor economic performance and the increasing hardship suffered by the population in the absence of sustained development, and the existence of certain political plans which might cause difficulties for the peace process. Those concerns had contributed to the Security Council's decision to extend the mandate of the Mission by another six months. That was a welcome development which would benefit other missions in the region. The African Group had always called for an effective mechanism for harnessing best practices and hoped that as a result of the ongoing efforts to coordinate the activities of the missions in the subregion, other missions would be able to learn lessons from UNAMSIL, which should receive all the support it required to complete its mandate and maintain its status as an exemplary Mission.

96. The financial resources outlined in the budget document for UNAMSIL (A/58/661) did not reflect the extended mandate for the Mission and the African Group stood ready to consider any revised estimates that might be presented during the fifth-ninth session of the General Assembly. She noted that the Advisory Committee would not pursue its recommendation for a 3 per cent reduction in the estimate for the military component of UNAMSIL and recalled Security Council resolution 1537 (2004), which requested UNAMSIL to operate in close liaison with UNMIL and the United Nations Mission in Côte d'Ivoire (MINUCI), especially in the prevention of movements of arms and combatants across borders and in the implementation of disarmament, demobilization and reintegration programmes. Such efforts, however, should not adversely affect the functioning of UNAMSIL. The gains made would be better secured if efforts were made to build upon the regional economies that would sustain the hard-earned peace and stability.

97. The Group welcomed the improved presentation of the budget for UNAMSIL and the action taken to implement the requests and recommendations of the Advisory Committee and OIOS. It also welcomed the Mission's ongoing efforts to streamline and improve its inventory control practices and efficiently manage its air assets.

98. **Ms. Lock** (South Africa) said that her delegation associated itself with the statements made by the representatives of Gabon and Nigeria on agenda items 138 and 146, respectively. However, it wished to make a few additional points concerning the financing of the four peacekeeping operations in Africa under consideration.

99. Her delegation attached great importance to United Nations peacekeeping operations, which made an important contribution to the maintenance of international peace and security. South Africa would continue to pay its peacekeeping contributions in full, on time and without conditions and to support peacekeeping operations, to the extent possible, by providing troops and equipment when called on by the United Nations and regional and subregional organizations in Africa. The implementation of the recommendations of the Panel on United Nations Peace Operations had significantly enhanced the capacity of Headquarters to plan and manage peacekeeping operations. It was vital to ensure that those changes at Headquarters continued to be translated into efficiency and effectiveness in the field.

100. Her delegation fully supported the resource requests submitted by the Secretary-General for the United Nations Mission in Ethiopia and Eritrea (UNMEE), MINURSO, UNAMSIL and MONUC. It had taken note of the related observations and recommendations of the Advisory Committee and stood ready to consider them further in informal consultations. It trusted that, at that time, the Secretariat would provide delegations with a detailed explanation of the potential impact of any proposed reductions on the ability of the four missions to fulfil their respective mandates.

101. The proposed staffing for MONUC reflected the expanded mandate of the Mission and the complexity of its activities. Her delegation had taken note of the Advisory Committee's recommendation (A/58/759/Add.10, paras. 33 and 34) that only 17 of the 34 new posts requested for the Office of Public Information should be approved. In that connection, it wished to recall that the United Nations was reinforcing public information campaigns in the Democratic Republic of the Congo in order to maximize support for MONUC activities and for the transitional process during the run-up to the elections. Also, on several occasions, the Mission had used public information to defuse tensions by providing the population with immediate and

credible facts, as well as to raise awareness of disarmament, demobilization, repatriation, resettlement and reintegration programmes. It was therefore important to ensure that MONUC had sufficient human resources to carry out its public information activities.

102. **Mr. Elji** (Syrian Arab Republic) recalled that his delegation had always supported the efforts of the United Nations Disengagement Observer Force (UNDOF) while Israel continued to defy resolutions adopted by the General Assembly and the Security Council calling for it to withdraw to its June 1967 borders and to assume the costs for the Force. He therefore deplored two recent actions by Israel, in which a Syrian police officer had been killed and another kidnapped for several hours and a residential building in a Syrian village had been the object of an air attack. He regretted that the performance report for UNDOF had mentioned only one serious violation and had failed to point out that Israel was the responsible party.

103. His delegation welcomed the results-based budget process for the Mission, and supported the creation of a new P-3 post of security officer, the reclassification of the Chief Administrative Officer's post to the D-1 level, the coordination of 3 General Service posts and the regularization of 14 casual labour staff. With regard to the latter, it was important to describe such posts as local rather than national posts.

104. He did not agree that the administration of UNDOF should find suitable outsourcing arrangements which should be undertaken only in exceptional circumstances. He also did not agree with the suggestion to group staff in centralized locations, which had already been rejected by the General Assembly, and stressed the importance of ensuring a transparent dialogue between local staff and management in order to avoid difficulties in the future.

105. He reiterated his delegation's appreciation for the work done by UNDOF and its staff and noted their exemplary cooperation with the Syrian authorities. He also welcomed the excellent coordination between his delegation, Headquarters staff and troop-contributing countries.

106. **Mr. Sermoneta** (Israel), speaking in exercise of the right of reply, regretted that the representative of the Syrian Arab Republic had seen fit to politicize the Committee's consideration of the agenda item. The relevant General Assembly and Security Council resolutions highlighted the responsibility of both parties to ensure the settlement of their dispute and Israel's actions had been defensive measures in response to terrorist acts that had originated in Syrian territory. Those who financed, supported or encouraged terrorism were in fact the ones responsible for any escalation in the situation.

107. **Mr. Elji** (Syrian Arab Republic), speaking in exercise of the right of reply, said that he had not attempted to politicize the debate but had merely alluded to the relevant documents relating to the performance of UNDOF, which included a reference to the unjustified killing of a Syrian policeman and the kidnapping of another policeman, both of which had been documented by United Nations representatives. Israel had also carried out an attack against a civilian building, while his Government had always refrained from any violent acts. Israel was attempting to use falsehoods to justify its actions. He recalled that the presence in Syrian territory of 500,000 Palestinian refugees was the result of Israeli efforts to use terror to expel and suppress them, thereby making dialogue impossible. The international community was fully aware of the truth and statements made in the Security Council itself had condemned Israel's actions.

108. **Mr. Sermoneta** (Israel), speaking in exercise of the right of reply, said that the so-called civilian building mentioned was in fact known to be a weapons factory and storehouse and that terrorists had admitted being trained at that and other facilities in the Syrian Arab Republic with a view to committing atrocities. The Syrian Arab Republic was on the wrong side of the war on terror and he wondered why no media access had been granted to the so-called civilian target. He recognized that the representative of the Syrian Arab Republic was simply acting under instructions and according to the information provided by his capital, but the truth was clear for all who cared to see it and judge for themselves the veracity and legitimacy of the repeated accusations made by the Syrian Arab Republic.

109. **Mr. Elji** (Syrian Arab Republic), speaking in exercise of the right of reply, said that Israel had a long history of distorting the truth and recalled that it had often been responsible for terrorist actions, including the assassination of Count Bernadotte, the massacre at the Sabra and Shatila refugee camps, the deaths of United Nations Relief and Works Agency (UNRWA) officials and other incidents. It had also repressed those

who opposed its policies, including peace activists. Syria too had suffered from terrorism, was on the right side of the war on terrorism and had played an important role in fighting terrorism in recent years. It was his firm conviction that Israel was on the wrong side of that war. Palestinian refugees had a right to freedom of speech and they themselves had closed certain information offices in order to avoid provoking any escalation of the situation.

The meeting rose at 1.20 p.m.